United Nations A/64/208

General Assembly

Distr.: General
31 July 2009

Original: English

Sixty-fourth session
Item 65 of the provisional agenda*
New Partnership for Africa's Development: progress in implementation and international support

Africa's development needs: state of implementation of various commitments, challenges and the way forward

Report of the Secretary-General

Summary

The present report is prepared in compliance with the requirements contained in General Assembly resolution 63/1, in which the Assembly requested the Secretary-General to submit a comprehensive report on "Africa's development needs: state of implementation of various commitments, challenges and the way forward" with a view to the formulation, by the time of the sixty-fifth session of the General Assembly, of a mechanism to review the full and timely implementation of all commitments related to Africa's development.

The report assesses the impact on development of three crises currently engulfing Africa: the financial and economic, the food, and the climate change and energy crises. It also examines the major commitments made by African States and institutions, development partners and the United Nations towards the development of the continent, and the state of their implementation. The focus is on commitments in the areas of sustainable economic growth, human development, governance and security, official development assistance, debt relief, trade liberalization and aid for trade. The report reviews the existing monitoring mechanisms and stresses that monitoring is critical if their international goals are to be attained.

It concludes that the crises have occurred at a time when African countries are achieving remarkable economic growth. Hence, in 2008, Africa witnessed a set back in important key areas, such as economic growth, agricultural development and poverty eradication, as well as in many other human development indicators. To reverse this trend, the present report contains some action-oriented recommendations.

* A/64/150.

09-43647 (E) 180809

Please recycle

Contents

		Page
I.	Introduction	
II.	Africa's development needs and challenges	
	A. Effects of the economic and financial crises in Africa	
	B. Impact of the food crisis in Africa	
	C. Climate change and energy crisis	
	D. Other African development challenges	
III.	Commitments and state of implementation	
	A. African States and institutions	
	B. Development partners	
	C. United Nations	
IV.	Review of existing monitoring mechanisms	
V.	Conclusions, recommendations and the way forward	

I. Introduction

1. The report is prepared in compliance with the requirements contained in paragraph 39 of General Assembly resolution 63/1, entitled "Political declaration on Africa's development needs", in which the General Assembly requested the Secretary-General to "submit to the General Assembly at its sixty-fourth session a comprehensive report, with recommendations, on 'Africa's development needs: state of implementation of various commitments, challenges and the way forward' with a view to the formulation, by the sixty-fifth session of the General Assembly, of a mechanism to review the full and timely implementation of all commitments related to Africa's development". The report builds on a similar report of the Secretary-General dated 15 July 2008[1] and, hence, it stresses only the commitments, and the state of implementation, made or achieved during the past 12 months. It has benefited from the inputs of the Inter-Agency Task Force on Africa. It has also benefited from information and data provided by Member States, the African Development Bank (AfDB), the secretariat of the New Partnership for Africa's Development (NEPAD), the African Peer Review Mechanism secretariat, and the Organization for Economic Cooperation and Development (OECD). The report is complemented by the report of the Secretary-General entitled "New Partnership for Africa's Development: seventh consolidated progress report on implementation and international support".[2]

2. The resolution was adopted at the high-level meeting on Africa's development needs, held at Headquarters on 22 September 2008. The meeting acknowledged that tremendous gains are possible if the global community translates its commitments into concrete results. On 25 September 2008, the high-level event on the Millennium Development Goals ended with a number of new commitments and generated an estimated $17 billion.

3. These meetings provided an opportunity for the international community to reiterate its commitments to the development of the continent. They also paved the way to the 2008 Doha Review Conference on financing for development, and set the stage for other high-level events held in 2008 and 2009, such as the Conference on the World Financial and Economic Crisis and Its Impact on Development (June 2009), the World Conference on Higher Education, held by the United Nations Educational, Scientific and Cultural Organization (UNESCO) (July 2009), and the African Union summit on increasing investment in agriculture for economic growth and food security (July 2009). Together with the forthcoming United Nations Climate Change Conference, to be held in December 2009, they are timely events to agree on new strategies conducive to Africa's development.

4. For several years now, the economic and political context in Africa has been developing favourably, with good economic performance and a significant drop in the number of countries suffering from armed conflict. However, the current international context has put a dent in this remarkable trend. In the wake of financial and economic crises and the perpetuation of the food, climate change and energy crises, Africa's hard-won achievements in poverty eradication have been jeopardized. More than having an effect on economic indicators, these crises have a social and humanitarian impact on the everyday life of approximately 950 million

[1] A/63/130.

[2] A/64/204.

Africans. Just six years from the deadline set by the international community for achieving the Millennium Development Goals, several reports indicate that most of the sub-Saharan African countries are not on track to attain all of the goals by 2015. In this context, African Governments, the United Nations and development partners have to take bold steps to meet their commitments.

II. Africa's development needs and challenges

5. The three major crises that currently affect the continent — the economic and financial, the food, and the climate change and energy crises — are interconnected and feed into one another. These crises are the central contextual factor that will condition the effort to reach the Millennium Development Goals.

A. Effects of the economic and financial crises in Africa

6. Africa was not at the centre of the financial and economic crises, but the contagion effects have reached the continent. Although the region was shielded from some of the collapse seen in the developed world, the impact of the crises is nonetheless profound. It may reverse the hard-earned socio-economic and political gains that Africa achieved in the recent past. The decrease in demand for African exports and the sharp swings in commodity prices are affecting current account and fiscal balances. Also, a number of African countries, mainly those highly dependent on exports of fuels and metals, are experiencing a weakening of their terms of trade. The OECD, AfDB and the Economic Commission for Africa (ECA) project growth in Africa to drop to 2.8 per cent in 2009, from 5.7 per cent in 2008 and 6.1 per cent in 2007.

7. The tightening of global credit conditions may lead to a shortfall in private capital flows. Prior to the financial crisis, net private inflows to sub-Saharan Africa had been rising strongly since 2002, reaching $55.5 billion in 2007, but in 2008 those figures were expected to decrease to $35.9 billion. Another consequence of the crisis is the decrease in the remittances caused by the rise in unemployment in the developed world. Although remittances to sub-Saharan Africa reached $18.6 billion in 2007 and were expected to reach $19.8 billion in 2008, in 2009 the volume is likely to drop.

8. The financial crisis could lead to a decline in official development assistance (ODA) flows in 2009. Since some donors set their aid targets as a percentage of gross domestic product (GDP), a drop in GDP could lead to a drop in aid. There is also an increasing risk of resurgent debt burden. States with large debt burdens, denominated in foreign currencies, may default on their debts owing to a depreciation of their currencies. The crises will likely result in further cuts in education, health and social services budgets. Women, for example, will likely face greater income insecurity and increased burdens of family care. According to the International Labour Organization (ILO), approximately an additional 3 million people could be left unemployed in sub-Saharan Africa, raising the total number of unemployed people to 28 million. A prolonged recession and insufficient attention to social needs could cause social unrest, rising criminality and weakening governance. Finally, the crises have immediate effects on trade finance and small firms, and new entrants may face difficulties in obtaining trade finance.

9. African leaders have shown determination in addressing the detrimental impact of the crises. Many Governments have set up monitoring units to identify the evolvement of the crisis and to formulate targeted responses. In addition, Governments have introduced a range of policy measures, including fiscal stimulus packages, targeted assistance to sectors and expansionary monetary policies. AfDB is also providing support through the establishment of an Emergency Liquidity Facility with a provisional $1.5 billion loan and the setting up of a $1 billion Trade Finance Initiative. However, as the Committee of African Finance Ministers and Central Bank Governors alerted, the limited resources of African States are inadequate in relation to the scale of the impact.[3]

10. The international community has also taken measures to address the negative effects of the crises on the continent. In April 2009, at the London Summit, the G-20 committed to providing $50 billion to support social protection, boost trade and safeguard development in low income countries; to supporting a substantial increase in lending by multilateral banks; and to the doubling of the International Monetary Fund (IMF) concessional lending capacity for low income countries. Also, the World Bank called on Governments of developed countries to donate 0.7 per cent of their stimulus packages to a vulnerability fund as aid to poorer countries. Assuming that stimulus packages could amount to between $2 trillion and $3 trillion through 2010, this would add $14 billion to $21 billion in flows for developing countries. The United Nations has also taken steps to address the crises. The report of the Secretary-General on the world financial and economic crisis, issued as a document of the 2009 Conference on the World Financial and Economic Crisis and Its Impact on Development, highlighted that "inadequate international coordination could not only endanger economic recovery and achievement of the Millennium Development Goals, but may also have wider security repercussions".[4] The outcome document of the Conference argued that "an adequate share of any additional resources — both short-term liquidity and long-term development financing — will need to be made available to developing countries, especially the least developed countries".[5] Moreover, the Commission of Experts of the President of the General Assembly on reforms of the international monetary and financial system called upon high income countries to abolish domestic support for cotton subsidies, as they distort prices to the detriment of African countries.

B. Impact of the food crisis in Africa

11. Ensuring food security in Africa, given the impact of climate change and the financial crisis, may be one of the biggest challenges of this century. The rise in food prices in the period 2006-2008 resulted in a 50 to 200 per cent increase in selected commodity prices and drove between 109 million and 126 million people worldwide into poverty. With Africa's population set to rise substantially, the continent risks being plunged into a deepening food crisis in the absence of urgent changes to the management of its natural resources. Food security has hence to be approached in a more comprehensive perspective where climate change, use of land

[3] See "Impact of the Crisis on Africa's Economies: Sustaining Growth and Poverty Reduction", report of the Committee of African Finance Ministers and Central Bank Governance (17 March 2009).

[4] A/CONF.214/4, para. 39.

[5] A/CONF.214/3, para. 10.

and resources for production for some types of biofuel, the agricultural subsidies operating in rich countries, agricultural investment and efficiency play a very significant role.

12. The African Union has taken steps to address the soaring of food prices last year. The food crisis was one of the major items on the agenda of the African Union summit held in Egypt in July 2008. In accordance with the objectives of the Comprehensive Africa Agricultural Development Programme of the African Union/NEPAD, African leaders have identified a series of short- to long-term measures for boosting food security. For instance, more investments are required in production factors such as land, water resources and essential inputs such as improved seeds and fertilizers. The thirteenth session of the African Union summit, held in July 2009, focused on the theme "Investing in agriculture for economic growth and food security". In addition, AfDB approved more than $700 million in the period 2008-2009 to address the same problem. For long-term measures AfDB plans to increase water storage capacity, to develop irrigation and to reduce post-harvest losses. The African Union/NEPAD-led task force on rising food prices coordinates the alignment in financing towards the responses to the high food prices.

13. The international community has also shown its commitment. The High-level Conference on World Food Security held in Rome, in June 2008, adopted a declaration calling on the international community to increase assistance for developing countries, in particular the least developed countries and those that are most negatively affected by high food prices. The Conference adopted short, medium and long-term measures to mitigate the effects of the crisis. Even though donors committed $22 billion to address the food crisis, only limited funds have been disbursed. The follow-up High-Level Meeting on Food Security for All, held in Madrid in January 2009, assessed progress since the Rome summit and agreed to priorities and commitments for moving ahead. It included a broad agreement on the need to address global hunger in all its facets. It also reiterated the need to establish a global partnership for agriculture, food security and nutrition to be realized in 2009.

14. In July 2008, the United Nations system set up the High-Level Task Force on Food Security, as a coordination mechanism chaired by the Secretary-General, and established the Comprehensive Framework for Action, representing the consensus view of agencies and organizations. Additional mechanisms to confront the food crisis include the Global Food Crisis Response Programme, a $1.2 billion rapid financing facility created in 2008 by the World Bank; support for early responses to the high food prices by the International Fund for Agricultural Development 8th Replenishment; and the European Commission 1 billion euro Food Facility. Also, the Food and Agriculture Organization of the United Nations Initiative on Soaring Food Prices, launched in December 2007, continues to expand. It works primarily with small farmers to ensure the success of the next planting seasons in the short term and to increase food production through improved seeds and fertilizers in the long term. The G-8 meeting in L'Aquila, Italy, pledged $20 billion in agricultural aid. These funds are to be allotted to building an agricultural economy in countries in need, specifically in Africa.

C. Climate change and energy crisis

15. Although Africa has the lowest per capita emission of greenhouse gases in the world, the expected impact of climate change in the region is indeed dramatic. In most countries, farming depends entirely on the quality of the rainy season and therefore increased droughts will seriously impact the availability of food. Prolonged seasons of drought also cause the migration of people to other areas and are a potential source of conflict between communities competing for scarce resources. Furthermore, several coastal zones would be adversely affected by sea-level rise associated with climate change. As the Intergovernmental Panel on Climate Change has highlighted, Africa is expected to be at risk primarily from increased incidences of vector-borne diseases and reduced nutritional status.

16. The African Union has expressed on several occasions its concern on the vulnerability of Africa's socio-economic and productive systems to climate change. In 2003 the action plan of the NEPAD Environment Initiative provided an environmental policy framework for addressing environmental issues. In addition, the decision on climate change and development in Africa, adopted by the Assembly of the African Union at its eighth ordinary session[6] in 2007, included a wide range of commitments, namely to integrate climate change and adaptation strategies into national and subregional development policies, programmes and activities. To date, 29 African countries have completed their national adaptation programmes of action, which provide a process for countries to identify priority activities that respond to their urgent and immediate needs with regard to adaptation to climate change. Furthermore, in 2009, Governments have also adopted the African common position on climate change in the negotiation process for the upcoming global climate change negotiations to be held in Copenhagen in December 2009. To address some of its commitments, NEPAD has attempted to prioritize climate change in its 2009 work programme. Nonetheless, African Governments still need to meet the commitment to undertake awareness-raising among policy and decision makers and civil society, and to avail funds to promote and strengthen the application of science and technology to climate data collection and analysis.

17. The international community has also taken some measures to address the effects of climate change in the region. The G-8 summit in 2003 agreed to develop fully operational regional climate centres in Africa, and at Gleneagles, Scotland, in 2005, the G-8 countries' action plan shifted to a broader approach, encompassing energy efficiency, clean technology and support for adaptation. At the United Nations Climate Change Conference, held in Bali in 2007, participants decided to launch an Adaptation Fund to support projects in developing countries that will help people cope with the impacts of climate change. The Fund is not operational, and is currently estimated to be worth around $200 million to $300 million. In 2008, the African Union and the European Union (EU) also outlined their common concerns for global warming and their common interest for an ambitious post-Kyoto international agreement through the endorsement of a joint declaration on climate change. In 2009, the EU financed a satellite receiving station, located at African Union headquarters, to track the effects of climate change on the continent. Moreover, through the Global Climate Change Alliance, the EU earmarked €50 million, over the period 2008-2010, to address climate change in some African countries.

[6] Assembly/AU/Dec. 134 (VIII).

18. Climate change may also deepen the ongoing energy crisis in Africa, manifested either in the absence or in the deficient supply of energy. Approximately 550 million Africans have no access to electricity, and in many parts of the continent there are systematic power shortages, with detrimental impacts on businesses. Energy problems emerge because existing power infrastructure is in disrepair and no major new infrastructure has been developed in many years. Also, the region was unable to diversify away from the conventional energy sources to the abundant renewable and other non-conventional sources. Less than 7 per cent of Africa's hydropower potential is currently utilized. Finally, climate change has contributed to more erratic rainfall, and has severely affected the generation capacity of hydroelectric power dams in both eastern and western Africa, forcing countries to spend their limited resources on adding emergency generation capacity. Africa, with 13 per cent of the world's population, consumes only 3 per cent of the world's commercial energy.

19. According to latest available data, external support for the energy sector has significantly expanded. ODA commitments rose sharply, from $1.9 billion in 2005 to $2.4 billion in 2006. AfDB, and the World Bank, through the Clean Energy for Development Investment Framework, are promoting a multi-track approach to address the energy challenges of developing countries covering: improving access in urban and rural areas; upgrading national transmission grids; helping to develop efficient power-trade arrangements; promoting off-grid renewable power supply systems; and encouraging sustainable household fuels. The Framework is the response to the G-8 request, made in Gleneagles, for an investment framework on climate change, clean energy and sustainable development. African countries have also begun to address these issues by developing regional energy interconnections and facilitating regional energy trade through the establishment of regional power pools in all subregions.

D. Other African development challenges

20. In addition to the financial, food and climate change crises, Africa's tremendous potential has not been fully harnessed, owing to a set of endogenous and exogenous factors analysed in the 2008 report of the Secretary-General on Africa's development needs (A/63/130). Despite the improvement in social and economic indicators, most of those challenges remain: there has been an increase in the number of armed conflicts, the brain drain is still salient, and governance in some States is still marked by personalized rule and corruption. In the current context of the financial, food and climate change crises some of these vulnerabilities have been amplified.

21. In addition, Africa is more heavily affected by HIV/AIDS than any other region of the world. According to the Joint United Nations Programme on HIV/AIDS (UNAIDS), an estimated 22 million people were living with HIV at the end of 2007 and approximately 1.9 million additional people were infected with HIV during that year. In sub-Saharan Africa it is estimated that 11.6 million children under the age of 18 have been orphaned as a result of AIDS. Apart from the dramatic human and health consequences, the economic impact of HIV/AIDS includes slower economic growth and rising poverty, a distortion in the allocation of resources away from the productive sectors, and an increasing dependent ratio of the population.

22. Furthermore, Africa is experiencing the largest urban growth in the world. While some of this growth is due to migration from rural areas, most of it results from natural increases in the urban population. According to the United Nations Human Settlements Programme *State of the African Cities Report 2008*, in 2010 approximately 40 per cent of Africans will live in urban areas, and in 2030 that figure may swell to one-half of the continent's population. The United Nations Human Settlements Programme (UN-Habitat) estimates that 62 per cent of the urban population in sub-Saharan Africa currently live under slum conditions. While Africa has the largest population growth in the world, its urban areas are not prepared to accommodate the demographic demand. Despite the region's clear urbanization trend, national Governments and development groups continue to direct their energies towards rural economic development. In an attempt to invert this trend, UN-Habitat, the European Commission and the Secretariat of the African, Caribbean and Pacific Group of States (ACP) signed in June 2009 a declaration that urged the prioritization of urban issues in the overall development agenda in ACP countries.

III. Commitments and state of implementation

A. African States and institutions

23. Over the past decades, many of the new development initiatives introduced in Africa failed to produce their much-anticipated results. The turn of the millennium, however, heralded a new phase in Africa's development, characterized by bolder commitments and more rigorous monitoring. In this new context, African States have increased their level of commitment to the rule of law, democracy and human rights. This new phase has also been depicted by the recognition that Africa's development is contingent not only on the dedication of the international community, but also, and primarily, on the willingness of African States and institutions to take full responsibility over the helm. Although the negative effects left by the region's colonial patrimony cannot be neglected, they should not be used to conceal any present wrongdoings. Africa's development is Africa's responsibility. In the Constitutive Act of the African Union, adopted in 2000, African leaders expressed their determination "to take up the multifaceted challenges that confront our continent and peoples in the light of the social, economic and political changes taking place in the world".

Sustainable economic growth

24. The resumption of growth in many African economies since the mid-1990s has been noteworthy. Africa's economy is estimated to have expanded 5.7 per cent in 2008, the first time in 45 years that growth exceeded 5 per cent for five years in succession. While high commodity prices have contributed to Africa's growth, political and economic reforms have resulted in better economic management and an improved business environment. However, as a result of the financial and economic crises, the growth pace has slowed and is projected to reach only 2.8 per cent in 2009, much lower than the 7 per cent average rate estimated for achieving the Millennium Development Goals. In 2008 the path towards poverty reduction was hence obstructed. Although international food prices have declined since the middle of 2008, the benefits of the lower prices will not be felt immediately because local prices lag behind changes in international prices. The

World Bank has reported in *Global Monitoring Report 2009* that, in 2009, 386 million people in sub-Saharan Africa are living below the international poverty line of $1.25 per day, a slight increase from 382.7 million in 2008, and per capita income adjusted for terms of trade will decline in 2009 in a number of African countries. As a group, sub-Saharan Africa countries are particularly affected: 13 countries will experience decline in per capita income in 2009 on the order of 11 per cent on average. The World Bank has estimated that sub-Saharan Africa will be off target to meet the Millennium Development Goals of halving poverty by half by 2015.

25. Africa has shown some progress in trade liberalization and economic diversification, namely in the reduction of import tariffs and export taxes, and quantitative restrictions. This has led exports to increase from $159 billion in 2000 to $424 billion in 2007. Yet, progress towards deepening regional economic integration has been slow and hampered by obstacles to cross-border trade, and the overlapping membership of the regional economic communities. The share of intraregional trade in total African trade stood at only 9.5 per cent in 2007.

26. Another engine for growth in the continent is agriculture, which accounts for more than 40 per cent of total export earnings. African countries are in the process of integrating the African Union/NEPAD Comprehensive Africa Agricultural Development Programme Agenda into their agriculture and rural development strategies and programmes. However, as of June 2009, only eight countries had achieved the target to allocate 10 per cent of national budgets to agriculture development by 2008, as set out in the 2003 Maputo Declaration of the Assembly of the African Union, and only nine countries exceeded the 6 per cent agriculture sector growth target. This slow progress is mostly owed to inadequate agricultural sector policy strategies and to lack of African Union sanctions for countries that fail to comply. However, agreement has been reached with partners on issues of financing and the implementation of the Comprehensive Africa Agricultural Development Programme. The Comprehensive Africa Agricultural Development Programme Multi-Donor Trust Fund, launched in 2008, with an initial commitment of $50 million, has become operational.

27. On infrastructure, the African Union provided a priority programme entitled "Linking Africa" in its strategic plan for 2004-2007 and the NEPAD Infrastructure Short-Term Action Plan has been adopted. In addition, NEPAD, the African Union and AfDB are currently finalizing a programme for infrastructure development in Africa. Governments are also looking to public-private partnerships to improve infrastructure networks in their countries and enhance service delivery to their people. Even though reasonable resources have been committed, Africa still lacks the basic infrastructure to facilitate sustainable development and trade regionally and globally, and to ensure competitiveness among its subregions. In terms of paved road density, sub-Saharan Africa has a low coverage of 31 km per 1,000 km. In 2009, the African Union adopted the Declaration on development of transport and energy infrastructure in Africa, which acknowledged the enormity of gaps in transport and energy infrastructure in Africa and the huge financial needs of these infrastructure. The Declaration also included several commitments in the areas of regulation harmonization, public financing and improvements in connectivity.

28. As economic growth also depends on science innovations and technology transfers, in 2006 the African Union endorsed the Science and Technology Consolidated Plan of Action to enable Africa to harness and apply science, technology and related innovations to eradicate poverty and achieve sustainable development. The African Science, Technology and Innovation Indicators Initiative, which was established to measure progress made by African Union member States in the areas of research and development, has reported a total of 19 countries that participated in the first round of national surveys on determining the status of science and technology. They reported their preliminary findings at a workshop held in March 2009 in South Africa. Technology development and transfer are also key to adapting to and mitigating climate change. The Bali Action Plan calls for enhanced action on the removal of obstacles to, and the provision of incentives for, the acceleration and scaling up of technology transfer, along with cooperation on research and development.

29. Private investments are also one of the main engines of growth, as emphasized by the NEPAD founding document. In 2008, Governments made progress in simplifying economic regulations and strengthening the institutional environment for doing business: 28 economies implemented 58 reforms, as compared to 24 economies and 49 reforms in 2006 and 2007. The pace of reforms is gathering momentum, with a 70 per cent increase in the number of countries reforming between 2005 and 2008. Consequently, in 2008, sub-Saharan Africa's regional ranking on the pace of reform improved to third place, up from fifth place in 2007.[7] NEPAD has also scaled up its work on promoting an investment-friendly continent with the NEPAD-OECD Africa Investment Initiative, whose objective is to advance private sector development in the continent. However, the cost of doing business in sub-Saharan Africa is still the highest in the world.[8] In this regard, civil society organizations play a key role in highlighting the strategic importance of having an investment-friendly environment as a way to boost economic growth. In May 2009 the African Union Commission, ECA and the NEPAD secretariat discussed how the private sector and civil society organizations could promote the overarching objectives of the African Union and NEPAD.

Human development

30. On education, the African Union declared 2006-2015 as the Second Decade of Education for Africa, a programme that tailors international commitments, such as the Dakar Framework for Action (Education for All), to the specific needs of the African continent. According to the United Nations Educational, Scientific and Cultural Organization (UNESCO), Africa has made particularly impressive strides, with many Governments increasing the priority attached to basic education. Net primary enrolment in sub-Saharan Africa has grown from 60 per cent in 2000 to 71 per cent in 2007. However, according to UNESCO projections, the target of achieving universal primary enrolment will be missed.

31. One of the most important African commitments on health is the pledge by States, enshrined in the 2001 African Union Abuja Declaration on HIV/AIDS, Tuberculosis and Other Related Infections Diseases, to spend 15 per cent of their

[7] OECD Development Centre, AfDB and Economic Commission for Africa, *2009 African Economic Outlook*.

[8] World Bank, *Doing Business 2009*.

budgets on health. In 2007 only 6 countries had met the commitment of allocating 15 per cent of the national budget to health. African States have also made important commitments on maternal health and child mortality, as enshrined, for example, in the African Charter on the Rights and Welfare of the Child, the Declaration and Plan of Action of Africa Fit for Children, and the Africa Health Strategy. Despite some progress, the deaths of under-five children remain unacceptably high in Africa, reaching, in 2007, 145 per 1,000 children in sub-Saharan Africa and 35 per 1,000 in northern Africa.[9]

32. Finally, in the past few years, African States have adopted important decisions on gender, including article 4 (1) of the Constitutive Act of the African Union, which has enshrined the gender parity principle; the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa; and the Solemn Declaration on Gender Equality in Africa. More recently, in 2009, African leaders made notable progress with the adoption of the African Union Gender Policy and its 10-year implementation plan. It includes seven well-defined and ambitious commitments, including the target to mobilize different players for gender equality in Africa, to adopt legislation and legal protection actions against discrimination for ensuring gender equality, and the commitment that the member States will institutionalize a pan-African approach to gender equality and mainstreaming. Recent data continues to indicate that access to resources is not equitable between men and women across the continent. This year is a critical time for stocktaking in Africa, as in 2010 the midterm review of the Beijing Platform for Action (Beijing plus 15) will take place.

Governance and security

33. African Governments have made a series of commitments on good governance and security and have put in place a range of practical mechanisms, including the African Peer Review Mechanism, the African Court of Human and Peoples' Rights and the African Court of Justice. According to the African Governance Report, the scope for political representation and competitive electoral politics, human rights and the observance of rule of law have improved. In addition, civil society organizations contributed to higher political awareness among the population and obliged Governments to become more accountable. As of June 2009, 30 countries had voluntarily acceded to the Mechanism, 15 countries had launched the review process and 12 peer reviews had been completed. The Mechanism has paid attention to critical issues such as managing diversity and xenophobia, elections, resource management, land and corruption. Implementation of Mechanism recommendations remains a challenge. To overcome this obstacle, the Mechanism secretariat has designed a programme of support for the implementation of the national programmes of action of countries already peer-reviewed. Indeed, despite some improvements, the administrative capacity of Governments remains weak. As an example, although 27 countries have ratified the African Union Convention on Preventing and Combating Corruption, many have yet to develop comprehensive national strategies for its effective implementation.

[9] *The Millennium Development Goals Report 2009*, p. 24 (United Nations publication Sales No. E.09.I.12).

34. The report of the Secretary-General on conflict prevention[10] underlines that the cost of armed conflict in Africa is equivalent to or exceeds the amount of money the continent receives in international aid. To address the continent's security concerns, the African Union adopted in 2002 the Protocol Relating to the Establishment of the Peace and Security Council giving birth to the so-called African Peace and Security Architecture. The African Union and the regional economic communities have also intervened with peacekeeping missions in several conflicts. However, sufficient and predictable funding remains a major constraint on peacekeeping by the African organizations. The establishment of the African Standby Force, a rapid reaction force to comprise 8,000 soldiers and 2,000 civilians by 2010 is a notable achievement. Although some progress has been made in doctrine, standard operating procedures, command, control, and communications and information policy, the establishment of the African Standby Force is lagging behind schedule. In the African context, attention needs to be devoted to the special needs of post-conflict countries. The African Union adopted, in 2007, a post-conflict reconstruction development policy in Africa, but there needs to be more fact-finding missions to identify the specific needs of these countries and better assistance provided.

B. Development partners

35. For a long time, and on many occasions, development partners have expressed their strong support for Africa's development. At the 2005 World Summit, countries reaffirmed their commitment to address the special needs of Africa. Recently, non-traditional development partners have equally taken steps to support the development of the continent. China, India, Turkey and the Republic of Korea have recently held high-level summits with African countries to enhance cooperation on all fronts. This shows the increasing level of commitment of international partners to the development of Africa.

Official development assistance and debt relief

36. At the 2005 G-8 summit, development partners committed to raising overall ODA by $50 billion in 2010 over 2004 figures, with $25 billion going to Africa. This presupposes raising aid flows to the region from $29.5 billion in 2004 to $55 billion in 2010 (at 2004 prices and exchange rates) or to $66 billion (at 2008 prices). The EU also committed to increase ODA levels to 0.56 per cent of gross national income by 2010, with half of this increase going to sub-Saharan Africa. Development partners have also made commitments on aid effectiveness, financing for development and harmonization. On effectiveness, the 2005 Paris Declaration and the 2008 Accra Agenda for Action include measures to improve the quality and impact of aid. Development partners have also committed to the development of innovative financing mechanisms. Finally, the 2003 Rome Declaration on Harmonization commits participating institutions to simplifying and harmonizing their requirements, as well as reducing associated costs. In April 2009, the G-20 summit underscored the importance of meeting the aid commitments, and, in May 2009, members of the OECD Development Assistance Committee adopted an action

[10] S/2008/18.

plan, which also renews efforts to bring the collective aid performance back on track, especially for Africa.

37. The state of implementation of these commitments varies widely. On volume, ODA levels rose from $29.5 billion in 2004 to $38.7 billion in 2007 and $42 billion in 2008. In practice, according to OECD estimates, Africa has received only about 31 per cent ($12.5 billion) of the total ODA increase since 2004, a large percentage below the 50 per cent pledged at Gleneagles. To achieve the target, donors need to boost their aid to Africa between 2007 and 2010 by over 17 per cent annually. On aid quality, the 2008 OECD Survey of Monitoring the Paris Declaration shows that, although progress has been made in several areas, it is unlikely that most of the key targets will be met by 2010. On a more positive note, domestic revenue in Africa as a whole increased from $138 billion (the average figure over 1997-2002) to $367 billion in 2007, and net private inflows to sub-Saharan Africa rose from $6.9 billion in 2002 to $55.5 billion in 2007. Harmonization is progressing, thanks to the multiple efforts conducted by donor countries through the adoption of joint programming and assistance strategies, the pooling of funds and the use of country systems when feasible. More than ever, with Africa engulfed in a financial, food and energy crises, it is indispensable for development partners to turn pledges into actions and meet their commitments fully.

38. On debt relief, progress has been achieved under the Heavily Indebted Poor Countries (HIPC) Initiative, and the Multilateral Debt Relief Initiative, under which eligible International Development Association, IMF and African Development Fund debt is cancelled when countries reach their enhanced HIPC completion point. As of May 2009, 20 African countries had reached their enhanced HIPC completion points, 9 remained in the interim period between the decision and completion points, and 4 eligible and participating countries had not yet reached their decision points. Before the HIPC Initiative, eligible countries were, on average, spending slightly more on debt service than on health and education combined. Now, spending on health, education and other social services is about five times the amount of debt service payments. In addition, the G-8 proposal to cancel multilateral debts is on track and, at present, 20 African countries have received Multilateral Debt Relief Initiative debt reductions from bilateral donors. As a result of debt relief, Africa's official debt to Governments and multilateral institutions declined from 62.8 per cent in 2000 to 20.6 per cent in 2008 (as a per cent of GDP).

Trade liberalization and aid for trade

39. Africa remains a marginal player in global trade, accounting for only 2.7 per cent of world trade in 2007. African trade structure has also remained narrow in terms of products and destination of exports. Although over the last years the continent has been able to diversify its trading partners, namely through the increasing presence of China in Africa, trade is still being focused on traditional products. In the period 2005-2007, African exports to Asia grew by nearly 50 per cent, but about 78 per cent of those exports were fuels and mining products. Despite the intense efforts undertaken to conclude the Doha negotiations, the divergences persisted into 2008. These issues included improved agricultural market access from the EU, substantial reduction of domestic subsidies by the United States to its agricultural sector, and agricultural and industrial market access to advanced developing countries. Moreover, in a period of financial and economic turmoil the already difficult path towards economic liberalization under the Doha Round is

increasingly more complex. With world trade volumes likely to shrink by as much as 13 per cent in 2009 from 2008 levels, many Governments are embarking on protectionist measures, which do not allow other economies to benefit as much from a potential recovery. At the end of 2008, when the financial crisis reached its peak, OECD countries pledged to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization measures that are inconsistent with stimulating exports. G-20 and G-8 countries reaffirmed the same commitment at their most recent summits in London and L'Aquila, Italy, respectively.

40. The past year witnessed an impetus in the implementation of the recommendations of the World Trade Organization Task Force on Aid for Trade (AfT). In 2008 an AfT road map was adopted with the objective to provide comprehensive analysis of the results of AfT programmes on national and subregional levels. An annotated version of the road map was presented in February 2009. Specifically on Africa, an African working group on AfT comprising AfDB, ECA and the World Trade Organization is spearheading implementation of this initiative at the continental level. The focus in 2008 was on monitoring and evaluation mechanisms and on identification and design of bankable projects at the regional level, according to the three main priority areas, namely, standards, infrastructure and trade facilitation. In 2007, Africa received 32 per cent of the global AfT in the amount of $7.14 billion. In the same year, AfDB allocated more than 90 per cent of its total sector allocable ODA to AfT. The World Trade Organization Second Global Review on Aid for Trade, which took place in July 2009, facilitated collective action to capitalize on the benefits of AfT.

South-South cooperation

41. Over the past years South-South cooperation has evolved as one of the most effective engines of Africa's growth. This cooperation is beginning to provide larger amounts of resources for development, particularly in the productive sectors and infrastructure. This dynamic has been captured, for instance, in the Doha Plan of Action, the Havana Programme of Action and the Marrakech Declaration on South-South Cooperation. In this context, countries such as China, India, Brazil, Turkey and the Gulf States have made notable contributions to Africa's development. China, principally, has played a variety of roles in Africa. Trade between China and Africa reached a record $107 billion in 2008, up 45.1 per cent in 2007. While accurate data are difficult to obtain, it is estimated that Chinese direct investment in Africa amounted to $6.6 billion in the period 2000-2006, and IMF estimates that ODA rose from about $310 million in the period 1989-1992 to an estimated $1 billion to $1.5 billion in the period 2004-2005.

42. India's trade and business relationship with Africa has also been growing rapidly in recent years. Trade between the two regions increased from $7 billion in 1997 to $70 billion in 2007. At the India-Africa Forum Summit, held in April 2008, both sides adopted the Delhi Declaration and the Africa-India Framework for Cooperation, which constitute a blueprint for cooperation. Brazil, with strong historic ties with the continent, has also increased its presence in Africa. Trade has grown from $10.4 billion in 2004 to $26 billion in 2008, and Brazil's national energy company has announced a massive expenditure plan for the period 2009-2013, reaching $174 billion. Brazil is also setting up a unique international university whose central objective is to recruit and train 2,500 African students

annually. At the last summit of the Brazil, Russia, India and China group, held in Russia in June 2009, these rapidly growing economies renewed their commitment to assist developing countries.

43. The Turkey-Africa Cooperation Summit, held in Istanbul in 2008, also marked Turkey's interest in developing relations with Africa. Trade with the region represented only $12 billion in 2007, but it is expected to reach $30 billion by 2010. Gulf States are also making significant investments in the continent. From 2007 until mid-2008, foreign direct investment in sub-Saharan Africa reached $15 billion. The trade from Africa to the Gulf is mainly of primary commodities, whereas oil, petroleum products and manufactured goods constitute the bulk of trade from the Gulf States to Africa.

C. United Nations

44. United Nations system support to Africa at the regional level is coordinated through the regional coordination mechanism, a framework for consultations aiming to fast-track programme implementation systemwide by the United Nations. Meetings are convened by ECA and held annually at its headquarters. The 9th meeting, held in October 2008, focused on results and outcomes in two main areas: progress made in enhancing coherence, coordination and cooperation among United Nations agencies, and progress made in deepening partnerships between the United Nations and African continental organizations (African Union Commission, AfDB and regional economic communities). At the 9th meeting, the African Union welcomed the alignment of the regional coordination mechanism thematic clusters with the programmes and activities of the African Union/NEPAD, but encouraged the United Nations agencies to put more effort into coordinating with the African Union Commission and to ensure the finalization of the alignment exercise.

45. In 2006, United Nations assistance to the continent was complemented with the adoption of the Ten-Year Capacity-Building Programme for the African Union. The Programme framework was conceived as the United Nations overall strategic framework for cooperation with the African Union. So far, all efforts are being made to align United Nations cluster activities in support of the African Union with the Ten-Year Capacity-Building Programme for the African Union, the strategic plans of the African Union Commission and the NEPAD secretariat, and relevant decisions of the African Union and regional economic communities and outcomes of African Union sectoral ministerial bodies. To address some of these challenges, the Secretary-General established in 2008 a high-level panel to consider how the United Nations can support African Union peacekeeping operations.

46. The third major initiative of the United Nations to support Africa's development is the MDG Africa Steering Group. On ODA volume to Africa, the Steering Group suggested that $72 billion a year is required to meet the Millennium Development Goals. This objective can be met by, first, fully implementing the pledge expressed at the G-8 summit in Gleneagles to double ODA to Africa and, second, with additional support from countries, such as China, that are not part of OECD, private foundations and innovative public-private partnerships. The Steering Group work with 10 initial countries on the "Gleneagles scenarios", based on the G-8 pledge to more than double aid to Africa, has shown that scaled-up aid can be absorbed and spent without compromising macroeconomic stability. The

recommendations put forward by the Steering Group were endorsed by eight multilateral institutions (AfDB, Islamic Development Bank, African Union Commission, European Commission, IMF, OECD, World Bank and the United Nations) and lead institutions were earmarked to follow through.

IV. Review of existing monitoring mechanisms

47. Monitoring is critical if international goals are to be attained. Too often in the past, Governments have convened high-level summits on development, adopted bold targets, and then failed to deliver. The need to adopt better monitoring and statistical tools has been expressed in several forums. For instance, the PARIS21 Task Team on Improved Support to Monitoring Development Goals was formed to identify specific actions to be taken at national and international levels that would improve statistics available for monitoring and managing development results. This led, in 2004, to the adoption of the Marrakech Action Plan for Statistics. In addition, in May 2009, OECD members adopted an action plan that also called for better monitoring of the commitments on aid volumes and aid effectiveness in the light of the financial crisis. Also, the Secretary-General, in his report of July 2009 on the world financial and economic crisis, recommended concerted action in improving monitoring mechanisms to ensure greater accountability of global public policy action and improving the capacity to detect and respond to global development emergencies.[1] In terms of scope, the existing monitoring mechanisms for Africa's development are either comprehensive or sector-specific.

48. The Africa Partnership Forum, established in November 2003, brings together African and OECD countries and other development partners and provides a broad platform to catalyse and support action on both sides of the partnerships in support of Africa's development. The Forum, which meets twice a year, is responsible for the monitoring of the delivery of commitments made by both sides of the Partnership. In addition to the Forum, the World Bank and IMF also publish annually the *Global Monitoring Report*, providing an overview of the status of implementation of the commitments. The *Mutual Review Of Development Effectiveness In Africa Report*, a joint United Nations-ECA and OECD exercise, compiled in close consultation with the NEPAD secretariat, also provides a comprehensive listing and review of implementation of development commitments.

49. The sector-specific monitoring mechanisms include the work undertaken by OECD to track progress in ODA flows and aid effectiveness; the Commitment to Development Index compiled by the Center for Global Development, the assessments carried out by the African Peer Review Mechanism and the Ibrahim Index of African Governance on issues of governance; the regular tracking executed by IMF and the World Bank on trade, the ease of doing business and other economic indicators, and the work developed by several United Nations agencies to track progress in attaining the Millennium Development Goals, which is presented in the annual *Millennium Development Goal Report*, and the annual *Millennium Development Goal Gap Task Force Report* or by the Development Cooperation Forum. All these exercises are undertaken in a fragmented way, however, without synergism between them.

---

[1] A/CONF.214/4.

50. Over the last years civil society has also become involved. In the follow-up of all the pledges made to Africa in 2005, a South Africa-based NGO, African Monitor, was created to ensure that "promises on all sides would be implemented swiftly and effectively, in ways that make a real difference to real people". African Monitor has four core research and monitoring tools and publishes the bi-annual Development Support Monitor. Another monitoring mechanism is undertaken by Debt, AIDS, Trade in Africa (or DATA), an NGO founded in January 2002 in the United Kingdom. It publishes an annual report tracking progress in all dimensions of development (social, political and economic indicators). Finally, the Africa Progress Panel, chaired by former United Nations Secretary-General Kofi Annan, was created in 2008 to call attention to the need to deliver on the commitments, particularly the good governance and economic support that is imperative for achieving the Millennium Development Goals. These civil society-led initiatives tend to ensure transparency and the greatest autonomy of opinion, but they lack undisturbed access to the decision-making centres in international organizations.

51. Given the critical importance of meeting Africa's development needs and the myriad commitments made by the various stakeholders towards meeting these needs, monitoring the fulfilment of the commitments is of crucial saliency. However, there is no need for a new mechanism, but there is for an effective way to bring together the results of the various existing monitoring processes. Such a monitoring mechanism could build on existing United Nations and non-United Nations reviews and be based on the principles of thematic comprehensiveness, agent inclusiveness, political strength and legitimacy. The mechanism could monitor progress of all commitments in all areas relevant to Africa's development needs and account for important links between the different segments of development. The mechanism should involve an African Union-United Nations partnership to ensure regional legitimacy and international credibility. In order to set into motion this mechanism, consultations within the United Nations system will start in early 2010 in the context of the Inter-Agency Task Force on Africa.

V. Conclusions, recommendations and the way forward

52. The impact of the three crises affecting the continent should be assessed jointly rather than individually, and also taking into account their aggravation of the already existing structural problems of the continent. This report has shown that the crises occurred at a most inopportune time, when African economies were growing steadily, promising a path towards sustained development. In 2008, Africa took a step back in important key areas such as economic growth, agricultural development and poverty eradication, as well as in many other human development indicators.

53. The world financial and economic crisis presents a unique challenge to African countries, as their cash economies are heavily dependent on a small number of exports. African Governments have to take bolder steps to strengthen regional integration and diversify their exports in order to cope with the demands of the global economy. International partners' response to these crises must be made in consideration to the specific needs of the continent: trade and market access; access to adequate financing; capacity-building; debt sustainability; infrastructure development; and peace and security.

54. To mitigate the food crisis, there is a need for a re-thinking of trade policy in order to boost agricultural production around the world. Biofuel subsidies and export controls are not currently the focus of multilateral trade negotiations, but they must be addressed as part of an overall strategy to liberalize agricultural production. Development partners should honour their promises to reduce barriers to African products and should consider eliminating agricultural subsidies that distort global trade.

55. Development partners must lend strong support to addressing the problems of climate change, by investing in mitigation and adaptation towards the prevention of deforestation, and by increasing funding for renewable energy in Africa. As renewable energy, such as solar, wind and geothermal, is very viable in Africa, every effort should be made to move away from coal-based projects towards these sources. Development partners should take Africa's development needs into full consideration in the negotiations leading up to the United Nations Climate Change Conference.

56. Official development assistance, foreign direct investment and trade are key engines for growth in Africa. Hence, development partners need to take very serious steps to meet their pledge to raise aid flows to $66 billion (2008 prices) in 2010. They should also maintain the upward trend of foreign direct investment inflows to Africa.

57. China, India, Brazil, Turkey and the Gulf States have created greater opportunities for meeting Africa's development needs, particularly in the areas of infrastructure and trade. If Africa's development is to stay on track, it is crucial for both traditional and non-traditional donors to comply with agreed-upon principles of cooperation in the areas of aid, trade, development finance and debt sustainability.

58. Bad governance and poverty are interdependent. Despite progress made by many African countries in this area, there is still much room for improvement. The international community should assist African countries in the development of democratic institutions, along with working legal systems, and freedom of the press. There is, however, a fine balance between ownership, sustainability and partnership. Donors should support the endogenous mechanisms that might bring about internal change, rather than simply advocating universal democratic norms. The African Peer Review Mechanism should be supported and all African countries should rapidly take part in the process.

59. No one is more responsible for Africa's development than African people, States and institutions. Although some progress was seen in 2008 in trade liberalization and the ease of doing business, African States need to make progress towards achieving the agriculture target to allocate 10 per cent of national budgets to agriculture development and exceed in the 6 per cent agriculture sector growth target. On health, they have to take measures to spend 15 per cent of their budgets on health, as enshrined in the African Union Abuja Declaration.